Enrolled Copy	S.B. 5

1	AMENDMENTS TO THE MINIMUM SCHOOL
2	PROGRAM BUDGET
3	2006 GENERAL SESSION
4	STATE OF UTAH
5	Chief Sponsor: Howard A. Stephenson
6	House Sponsor: Gordon E. Snow
7 8	LONG TITLE
9	General Description:
10	This bill provides funding for the Minimum School Program.
11	Highlighted Provisions:
12	This bill:
13	• creates a cap on the number of charter schools that the State Charter School Board
14	may authorize to begin operations in the 2007-08 school year;
15	 modifies provisions governing the inclusion of foreign exchange students for the
16	purpose of apportioning state monies;
17	establishes the value of the weighted pupil unit at \$2,417;
18	• establishes a ceiling for the state contribution to the maintenance and operations
19	portion of the Minimum School Program for fiscal year 2006-07 of \$2,032,219,545;
20	 authorizes the State Board of Education to use nonlapsing balances to restore
21	special education funding;
22	makes one-time appropriations for fiscal year 2006-07 for:
23	• pupil transportation;
24	 library books and supplies;
25	• the Enrollment Growth Program;
26	• charter schools;
27	 classroom supplies; and
28	• a charter school study.
29	

S.B. 5	Enrolled Copy
--------	---------------

30	Monies Appropriated in this Bill:
31	This bill appropriates:
32	► as an ongoing appropriation, \$2,011,119,545 from the Uniform School Fund for
33	fiscal year 2006-07;
34	► for fiscal year 2006-07 only, \$150,000 from the General Fund; and
35	► for fiscal year 2006-07 only, \$31,100,000 from the Uniform School Fund.
36	Other Special Clauses:
37	This bill takes effect on July 1, 2006.
38	This bill coordinates with S.B. 3 by providing that certain amendments in this bill
39	supersede the amendments in S.B. 3.
40	Utah Code Sections Affected:
41	AMENDS:
42	53A-1a-515, as last amended by Chapter 291, Laws of Utah 2005
43	53A-2-206, as last amended by Chapter 257, Laws of Utah 2004
44	53A-17a-103, as last amended by Chapters 9 and 184, Laws of Utah 2005
45	53A-17a-104, as last amended by Chapters 9 and 184, Laws of Utah 2005
46	53A-17a-148, as last amended by Chapters 9 and 184, Laws of Utah 2005
47	ENACTS:
48	53A-1a-502.5 , Utah Code Annotated 1953
49	
50	Be it enacted by the Legislature of the state of Utah:
51	Section 1. Section 53A-1a-502.5 is enacted to read:
52	53A-1a-502.5. State Charter School Board to authorize the establishment of
53	charter schools.
54	The State Charter School Board may only authorize:
55	(1) a maximum of five charter schools that will begin operation in the 2007-08 school
56	year; and

(2) a combined maximum student capacity of 5,000 students for the charter schools

30	authorized in accordance with Subsection (1).
59	Section 2. Section 53A-1a-515 is amended to read:
60	53A-1a-515. Charters authorized by local school boards.
61	(1) (a) Individuals and entities identified in Section 53A-1a-504 may enter into an
62	agreement with a local school board to establish and operate a charter school within the
63	geographical boundaries of the school district administered by the board.
64	(b) The charter schools described in Subsection (1)(a) are in addition to the limited
65	number of charter schools authorized by the State Charter School Board in Section
66	<u>53A-1a-502.5.</u>
67	(2) (a) An existing public school that converts to charter status under a charter granted
68	by a local school board may:
69	(i) continue to receive the same services from the school district that it received prior to
70	its conversion; or
71	(ii) contract out for some or all of those services with other public or private providers.
72	(b) Any other charter school authorized by a local school board may contract with the
73	board to receive some or all of the services referred to in Subsection (3)(a).
74	(3) (a) (i) A public school that converts to a charter school under a charter granted by a
75	local school board shall receive funding:
76	(A) through the school district; and
77	(B) on the same basis as it did prior to its conversion to a charter school.
78	(ii) The school may also receive federal monies designated for charter schools under
79	any federal program.
80	(b) (i) A local school board-authorized charter school operating in a facility owned by
81	the school district and not paying reasonable rent to the school district shall receive funding:
82	(A) through the school district; and
83	(B) on the same basis that other district schools receive funding.
84	(ii) The school may also receive federal monies designated for charter schools under
85	any federal program.

Enrolled Copy

S.B. 5 86 (c) Any other charter school authorized by a local school board shall receive funding as 87 provided in Section 53A-1a-513. 88 (4) (a) A local school board that receives an application for a charter school under this 89 section shall, within 45 days, either accept or reject the application. 90 (b) If the board rejects the application, it shall notify the applicant in writing of the 91 reason for the rejection. 92 (c) The applicant may submit a revised application for reconsideration by the board. 93 (d) If the local school board refuses to authorize the applicant, the applicant may seek a 94 charter from the State Charter School Board under Section 53A-1a-505. 95 (5) The State Board of Education shall make a rule providing for a timeline for the 96 opening of a charter school following the approval of a charter school application by a local school board. 97 98 (6) (a) After approval of a charter school application, the applicant and the local school 99 board shall set forth the terms and conditions for the operation of the charter school in a written 100 contractual agreement. 101 (b) The agreement is the school's charter. 102 (7) A local school board shall: 103 (a) annually review and evaluate the performance of charter schools authorized by the 104 local school board and hold the schools accountable for their performance; 105 (b) monitor charter schools authorized by the local school board for compliance with federal and state laws, rules, and regulations; and 106 107 (c) provide technical support to charter schools authorized by the local school board to 108 assist them in understanding and performing their charter obligations.

- (8) A local school board may terminate a charter school it authorizes as provided in
- Sections 53A-1a-509 and 53A-1a-510.
- (9) The governing body of a local school board-authorized charter school shall be independent of the local school board except as otherwise specifically provided in this chapter.
- 113 Section 3. Section **53A-2-206** is amended to read:

109

110

111

114	53A-2-206. Exchange and interstate compact students Inclusion in attendance
115	count Annual report Requirements for exchange student agencies.
116	(1) A school district or charter school may include the following students in the
117	district's or school's membership and attendance count for the purpose of apportionment of
118	state monies:
119	(a) a foreign exchange student sponsored by an agency approved by the district's local
120	school board or charter school's governing board, subject to the limitation of Subsection (2);
121	(b) a student enrolled under an interstate compact, established between the State Board
122	of Education and the state education authority of another state, under which a student from one
123	compact state would be permitted to enroll in a public school in the other compact state on the
124	same basis as a resident student of the receiving state; or
125	(c) a student receiving services under the Compact on Placement of Children.
126	(2) (a) [The] Through June 30, 2007, number of foreign exchange students that may be
127	counted for the purpose of apportioning state monies shall be the lesser of:
128	[(a)] (i) the number of foreign exchange students:
129	[(i)] (A) enrolled in the school district or charter school; and
130	[(ii)] (B) sponsored by an exchange student agency approved by the district's local
131	school board or charter school's governing board; or
132	$[\frac{b}{a}]$ (ii) the number of students that have withdrawn from the school district or charter
133	school to participate in a foreign exchange program in a foreign country.
134	(b) (i) Beginning July 1, 2007, the total number of foreign exchange students in the
135	state that may be counted for the purpose of apportioning state monies shall be the lesser of:
136	(A) the number of foreign exchange students enrolled in public schools in the state on
137	October 1 of the previous fiscal year; or
138	(B) 328 foreign exchange students.
139	(ii) The State Board of Education shall make rules in accordance with Title 63, Chapter
140	46a, Utah Administrative Rulemaking Act, to administer the cap on the number of foreign
141	exchange students that may be counted for the purpose of apportioning state monies.

142	(3)	A school district or charter school may	y:

143

146

147

148

149

150

151

152

153

154

155

156

157

158

159

160

161

162

163

164

165

166

167

168

- (a) enroll foreign exchange students that do not qualify for state monies; and
- 144 (b) pay for the costs of those students with other funds available to the school district 145 or charter school.
 - (4) Due to the benefits to all students of having the opportunity to become familiar with individuals from diverse backgrounds and cultures, school districts are encouraged to enroll foreign exchange students, as provided in Subsection (3), particularly in schools with declining or stable enrollments where the incremental cost of enrolling the foreign exchange student may be minimal.
 - (5) The board shall make an annual report to the Legislature on the number of exchange students and the number of interstate compact students sent to or received from public schools outside the state.
 - (6) (a) A local school board or charter school governing board shall require each approved exchange student agency to provide it with a sworn affidavit of compliance prior to the beginning of each school year.
 - (b) The affidavit shall include the following assurances:
 - (i) that the agency has complied with all applicable policies of the board;
 - (ii) that a household study, including a background check of all adult residents, has been made of each household where an exchange student is to reside, and that the study was of sufficient scope to provide reasonable assurance that the exchange student will receive proper care and supervision in a safe environment;
 - (iii) that host parents have received training appropriate to their positions, including information about enhanced criminal penalties under Subsection 76-5-406(10) for persons who are in a position of special trust;
 - (iv) that a representative of the exchange student agency shall visit each student's place of residence at least once each month during the student's stay in Utah;
 - (v) that the agency will cooperate with school and other public authorities to ensure that no exchange student becomes an unreasonable burden upon the public schools or other

170	1 11	
170	nuhlic	agencies;
170	paone	ageneres,

(vi) that each exchange student will be given in the exchange student's native language names and telephone numbers of agency representatives and others who could be called at any time if a serious problem occurs; and

- (vii) that alternate placements are readily available so that no student is required to remain in a household if conditions appear to exist which unreasonably endanger the student's welfare.
- (7) (a) A local school board or charter school governing board shall provide each approved exchange student agency with a list of names and telephone numbers of individuals not associated with the agency who could be called by an exchange student in the event of a serious problem.
- (b) The agency shall make a copy of the list available to each of its exchange students in the exchange student's native language.
 - Section 4. Section **53A-17a-103** is amended to read:
- **53A-17a-103. Definitions.**

185 As used in this chapter:

- (1) "Basic state-supported school program" or "basic program" means public education programs for kindergarten, elementary, and secondary school students that are operated and maintained for the amount derived by multiplying the number of weighted pupil units for each district by [\$2,280] \$2,417, except as otherwise provided in this chapter.
- (2) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue equal to the sum of:
- (a) the amount of property tax revenue to be generated statewide in the previous year from imposing a minimum basic tax rate, as specified in Subsection 53A-17a-135(1)(a); and
 - (b) the product of:
- (i) new growth, as defined in Section 59-2-924 and rules of the State Tax Commission;and
 - (ii) the minimum basic tax rate certified by the State Tax Commission for the previous

	•
198	year.
199	(3) "Leeway program" or "leeway" means a state-supported voted leeway program or
200	board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.
201	(4) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.
202	(5) (a) "State-supported minimum school program" or "minimum school program"
203	means public school programs for kindergarten, elementary, and secondary schools as
204	described in this Subsection (5).
205	(b) The minimum school program established in the districts shall include the
206	equivalent of a school term of nine months as determined by the State Board of Education.
207	(c) (i) The board shall establish the number of days or equivalent instructional hours
208	that school is held for an academic school year.
209	(ii) Education, enhanced by utilization of technologically enriched delivery systems,
210	when approved by local school boards, shall receive full support by the State Board of
211	Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing
212	commercial advertising.
213	(d) The program includes the total of the following annual costs:
214	(i) the cost of a basic state-supported school program; and
215	(ii) other amounts appropriated in this chapter in addition to the basic program.
216	(6) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of
217	factors that is computed in accordance with this chapter for the purpose of determining the
218	costs of a program on a uniform basis for each district.
219	Section 5. Section 53A-17a-104 is amended to read:
220	53A-17a-104. Amount of state's contribution toward minimum school program.
221	(1) The total contribution of the state toward the cost of the minimum school program
222	may not exceed the sum of $[\$1,794,543,275]$ $\$2,032,219,545$ for the fiscal year beginning July
223	1, [2005] 2006, except as otherwise provided by the Legislature through supplemental
224	appropriations.

(2) There is appropriated from state and local funds for fiscal year $[\frac{2005-06}{2006-07}]$

226	for distribution to school districts and charter schools, in accordance with this chapter, monies
227	for the following purposes and in the following amounts:
228	(a) basic program - kindergarten, [\$50,992,200 (22,365 WPUs)] \$57,234,560 (23,680)
229	WPUs);
230	(b) basic program - grades 1-12, [\$1,014,932,880 (445,146 WPUs)] \$1,118,053,443
231	(462,579 WPUs);
232	(c) basic program - professional staff, [\$99,273,480 (43,541 WPUs)] \$106,128,053
233	(43,909 WPUs);
234	(d) basic program - administrative costs, [\$3,789,360 (1,662 WPUs)] \$3,937,293
235	(1,629 WPUs);
236	(e) basic program - necessarily existent small schools and units for consolidated
237	schools, [\$17,779,440 (7,798 WPUs)] \$18,487,633 (7,649 WPUs);
238	(f) special education - regular program - add-on WPUs for students with disabilities,
239	[\$125,076,240 (54,858 WPUs)] \$136,350,221 (56,413 WPUs);
240	(g) preschool special education program, [\$16,509,480 (7,241 WPUs)] \$19,717,886
241	(8,158 WPUs);
242	(h) self-contained regular WPUs, [\$28,999,320 (12,719 WPUs)] \$32,148,517 (13,301
243	WPUs);
244	(i) extended year program for severely disabled, [\$813,960 (357 WPUs)] \$887,039
245	(367 WPUs);
246	(j) special education programs in state institutions and district impact aid, [\$3,196,560
247	(1,402 WPUs)] \$3,487,731 (1,443 WPUs);
248	(k) applied technology and technical education district programs, [\$54,943,440 (24,098)
249	WPUs)] \$59,934,349 (24,797 WPUs), including [\$985,880] \$1,045,033 for summer applied
250	technology agriculture programs;
251	(l) applied technology district set-aside, [\$2,348,400 (1,030 WPUs)] \$2,562,020 (1,060)
252	WPUs);
253	(m) class size reduction, [\$70,162,440 (30,773 WPUs)] \$74,378,341 (30,773 WPUs);

254	(n) Social Security and retirement programs, [\$272,224,533] \$310,891,038;
255	(o) pupil transportation to and from school, [\$59,058,267] \$62,601,763, of which not
256	less than [\$2,050,537] \$2,173,569 shall be allocated to the Utah Schools for the Deaf and Blind
257	to pay for transportation costs of the schools' students;
258	(p) guarantee transportation levy, \$500,000;
259	(q) Local Discretionary Block Grant Program, \$21,820,748;
260	(r) Interventions for Student Success Block Grant Program, [\$15,842,347]
261	<u>\$16,792,888;</u>
262	(s) Quality Teaching Block Grant Program, [\$59,428,023] \$62,993,704;
263	(t) highly impacted schools, \$5,123,207;
264	(u) at-risk programs, [\$26,557,600] \$27,992,056;
265	(v) adult education, [\$7,630,805] \$9,148,653;
266	(w) accelerated learning programs, [\$8,999,293] \$12,010,853;
267	(x) electronic high school, $[\$1,000,000]$ $\$1,300,000$;
268	(y) School LAND Trust Program, [\$9,920,000] \$15,000,000;
269	(z) state-supported voted leeway, [\$175,975,385] \$196,085,303;
270	(aa) state-supported board leeway, [\$48,387,919] \$54,704,476;
271	(bb) charter schools, pursuant to Section 53A-1a-513, [\$12,559,950] \$21,552,450;
272	(cc) K-3 Reading Improvement Program, \$12,500,000; and
273	(dd) state-supported board leeway for K-3 Reading Improvement Program,
274	\$15,000,000.
275	Section 6. Section 53A-17a-148 is amended to read:
276	53A-17a-148. Use of nonlapsing balances.
277	[(1) For the fiscal year beginning on July 1, 2005, the State Board of Education may
278	use up to \$300,000 of nonlapsing balances for the following:]
279	[(a) to stabilize the value of the weighted pupil unit;]
280	[(b) to maintain program levels in school districts that may experience unanticipated
281	and unforeseen losses of students;]

282	[(c) to equalize programs in school districts where a strict application of the law
283	provides inequity;]
284	[(d) to pay the added cost when students attend school out of state; and]
285	[(e) other uses approved by the board.]
286	[(2) For the fiscal year beginning on July 1, 2005, the State Board of Education may
287	use up to \$1,000,000 of uncommitted nonlapsing balances for adult high school completion
288	and adult basic skill programs.]
289	[(3) For the fiscal year beginning on July 1, 2005, the State Board of Education shall
290	use Minimum School Program nonlapsing balances to supplement the appropriation to charter
291	schools for the replacement of local property tax revenues, up to the amount allowed under
292	their formula detailed in Subsection 53A-1a-513(4).]
293	[(4) The State Board of Education may use Minimum School Program nonlapsing
294	balances dedicated to the Public Education Job Enhancement Program to support program
295	administration as follows:]
296	[(a) \$26,000 is authorized in fiscal year 2004-05; and]
297	[(b) \$60,000 is authorized in fiscal year 2005-06.]
298	The State Board of Education may use Minimum School Program nonlapsing balances
299	to restore special education funding as follows:
300	(1) up to \$902,538 is authorized in fiscal year 2005-06; and
301	(2) up to \$902,538 is authorized in fiscal year 2006-07.
302	Section 7. Ongoing appropriation for charter school administration.
303	(1) As an ongoing appropriation subject to future budget constraints, there is
304	appropriated for fiscal year 2006-07, \$100,000 from the Uniform School Fund to the State
305	Board of Education for charter school administration.
306	(2) The State Board of Education, in consultation with the State Charter School Board
307	shall distribute the money appropriated in Subsection (1) on an equalized per student basis as
308	determined by the actual fall enrollment count to charter schools that receive funding through
309	the Minimum School Program - Administrative Cost Formula Program.

310	Section 8. One-time appropriation for pupil transportation.
311	There is appropriated from the Uniform School Fund to the State Board of Education
312	for fiscal year 2006-07 only, \$5,000,000 for pupil transportation to and from school as
313	provided in Subsections 53A-17a-127(1) through (5).
314	Section 9. One-time appropriation for library books and supplies.
315	(1) There is appropriated from the Uniform School Fund to the State Board of
316	Education for fiscal year 2006-07 only, \$2,000,000 for library books and supplies.
317	(2) It is the intent of the Legislature that the State Board of Education shall distribute
318	the money appropriated in Subsection (1) as follows:
319	(a) 25% shall be divided equally among all public schools; and
320	(b) 75% shall be divided among public schools based on each school's average daily
321	membership as compared to the total state average daily membership.
322	Section 10. One-time appropriation for the Enrollment Growth Program.
323	There is appropriated from the Uniform School Fund to the State Board of Education
324	for fiscal year 2006-07 only, \$10,000,000 for the Enrollment Growth Program described in
325	Section 53A-21-103.5.
326	Section 11. One-time appropriation for charter schools.
327	(1) There is appropriated from the Uniform School Fund to the State Board of
328	Education for fiscal year 2006-07 only, \$7,100,000 for charter schools.
329	(2) It is the intent of the Legislature that the State Board of Education shall distribute
330	the money appropriated in Subsection (1) based upon average daily membership of the charter
331	schools.
332	Section 12. One-time appropriation for classroom supplies.
333	(1) There is appropriated from the Uniform School Fund to the State Board of
334	Education for fiscal year 2006-07 only, \$7,000,000 for classroom supplies and materials.
335	(2) (a) The board shall distribute the appropriation to classroom teachers in school
336	districts, the Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and
337	charter schools on the basis of the number of classroom teachers in each school as compared to

338	the total number of classroom teachers.
339	(b) Teachers shall receive up to the following amounts:
340	(i) a teacher on salary schedule steps one through three teaching in grades kindergarten
341	through six or preschool handicapped - \$360;
342	(ii) a teacher on salary schedule steps one through three teaching in grades seven
343	through twelve - \$310;
344	(iii) a teacher on salary schedule step four or higher teaching in grades kindergarten
345	through six or preschool handicapped - \$285; and
346	(iv) a teacher on salary schedule step four or higher teaching in grades seven through
347	<u>twelve - \$235.</u>
348	(c) If the appropriation in Subsection (1) is not sufficient to provide to each teacher the
349	full amount allowed under Subsection (2)(b), teachers on salary schedule steps one through
350	three shall receive the full amount allowed with the remaining monies apportioned to all other
351	teachers.
352	(d) Teachers shall spend the money for school supplies, materials, or field trips under
353	rules adopted by the State Board of Education.
354	(e) As used in this section, "classroom teacher" or "teacher" means permanent teacher
355	positions filled by one teacher or two or more job-sharing teachers:
356	(i) who are licensed personnel;
357	(ii) who are paid on the teacher's salary schedule;
358	(iii) who are hired for an entire contract period; and
359	(iv) whose primary function is to provide instructional or a combination of
360	instructional and counseling services to students in public schools.
361	Section 13. One-time appropriation for charter school study.
362	(1) (a) There is appropriated \$150,000 from the General Fund for fiscal year 2006-07
363	only to the Office of Legislative Research and General Counsel for a charter school study under
364	the direction and approval of the Executive Appropriations Committee.
365	(b) As directed and approved by the Executive Appropriations Committee, the Office

S.B. 5		Enrolled	Copy

366	of Legislative Research and General Counsel and the Office of the Legislative Fiscal Analyst
367	shall jointly conduct the study.
368	(c) In conducting the study, the Office of Legislative Research and General Counsel
369	and the Office of the Legislative Fiscal Analyst shall consult with the Office of the Legislative
370	Auditor General, State Board of Education, State Charter School Board, charter schools, and
371	school districts.
372	(2) The study shall:
373	(a) evaluate the services provided to charter schools by the divisions within the Utah
374	State Office of Education and by the school districts where charter schools are located;
375	(b) identify tasks required of the State Charter School Board to assume its statutory
376	obligations;
377	(c) identify long-term administrative needs of the state and school districts required to
378	sustain charter schools;
379	(d) evaluate the financial condition of the state's charter schools;
380	(e) examine funding equity between charter schools and district schools;
381	(f) compare the use of a local tax replacement formula to a local revenue sharing
382	mechanism;
383	(g) determine school level administrative costs;
384	(h) identify the financial needs of and sources of funding for charter schools as they
385	begin operations;
386	(i) evaluate a school district's role and responsibility in funding a student attending a
387	charter school;
388	(j) examine the current process used to assess a charter school's financial plan and
389	long-term sustainability;
390	(k) (i) identify requirements for granting charters to schools that primarily serve special
391	needs students; and
392	(ii) examine the financial feasibility of operating a charter school that primarily serves
393	special needs students;

394	(l) identify needs of charter schools relating to securing and maintaining adequate
395	facilities to support the operations of a school;
396	(m) evaluate a school district's role and responsibility in providing for the capital
397	facility needs of students attending a charter school;
398	(n) examine processes governing charter school facility leases and procurement
399	contracts for school construction;
400	(o) summarize the experience of other states relating to growth and oversight of charter
401	schools;
402	(p) evaluate how charter school and student growth affects the public education system
403	as a whole; and
404	(q) make recommendations on how to accommodate growth in the number of charter
405	schools and students attending charter schools, in terms of administration and funding.
406	(3) The Office of Legislative Research and General Counsel and the Office of the
407	Legislative Fiscal Analyst shall coordinate with the Department of Administrative Services to
408	address the liability of the state in regards to charter school facilities and leases.
409	(4) The Office of Legislative Research and General Counsel and the Office of the
410	Legislative Fiscal Analyst shall report the findings of the study to the Executive Appropriations
411	Committee prior to October 31, 2006.
412	Section 14. Effective date.
413	This bill takes effect on July 1, 2006.
414	Section 15. Coordinating S.B. 5 with S.B. 3 Superseding amendments.
415	If this S.B. 5 and S.B. 3, Minimum School Program Base Budget Amendments, both
416	pass, it is the intent of the Legislature that the amendments to Sections 53A-17a-103 and
417	53A-17a-104 in S.B. 5 supersede the amendments to Sections 53A-17a-103 and 53A-17a-104
418	in S.B. 3 when the Office of Legislative Research and General Counsel prepares the Utah Code
119	database for publication.